

21 December 1953

The Honorable
Director of the Bureau of the Budget
Washington 25, D. C.

Attention: Mr. Roger W. Jones

Dear Sir:

We appreciate the opportunity to express our views on proposed amendments to the Atomic Energy Act of 1946 as requested by your letter of December 2, 1953.

This Agency has no concern with the proposed amendments to Sections 2(b), 5(a)(3)(c), 5(b)(5), 5(d)(1), and 6 of the Atomic Energy Act of 1946. In connection with Section 6 amending Section 10(a) to provide new controls over dissemination of restricted data, this Agency believes that the amendment would facilitate proper performance of its intelligence functions. In Subsection 6(a)(1) the language provides that there shall be no "exchange of restricted data with other nations..." We believe that it would be a clearer statement of the intent of this Subsection and consistent with the policy statement in Subsection 6(a) to have this wording read there shall be no "dissemination of restricted data to other nations..."

With regard to Section 7 amending Section 10(b)(1) of the Atomic Energy Act of 1946, as amended, we are in accord with the intent of the amendment but we believe that it would clarify that intent to insert in the second line after the word "all" the words "United States," so that the opening phrase would read "The term 'restricted data' as used in this Section means all United States data concerning..." Thus, information concerning atomic developments in foreign countries unrelated to United States manufacture and use would not be restricted data under the Act, but would be covered by normal classification policy as relating to national defense and security. Of course, any evaluation or use of this foreign information, which is necessarily based on or related to

information on United States production or use of fissionable material, would automatically come within the statutory definition of "restricted data." In addition, the proposed Section 7 would permit the withdrawal of military atomic information from the restricted data category under certain circumstances. While the classification of nonmilitary types of information is not at present a direct concern to this Agency, it is suggested that consideration be given to placing nonmilitary types of information on the same basis as military items for the purpose of withdrawal from the restricted data category.

With regard to the wording which would be added by the proposed Section 8 concerning the scope and extent of personnel security investigations for access to restricted data, we believe that satisfactory arrangements can be worked out in connection with those officials of this Agency whose work will require clearance in this respect.

Sections 9 through 17 of the proposed amendments are of no concern to this Agency.

Sincerely,

OGC:WLP/ros
Distribution:
Orig & 2 - Bur of Budget
1 - DD/I
1 - AD/OSI
2 - Legislative Counsel ✓

Walter L. Pforzheimer
Legislative Counsel

CONCUR: _____
Deputy Director (Intelligence)